

Message Text

CONFIDENTIAL

PAGE 01 KATHMA 01219 01 OF 02 300918Z
ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
/067 W

-----300923Z 047171 /22

R 291100Z MAR 77
FM AMEMBASSY KATHMANDU
TO SECSTATE WASHDC 7835

C O N F I D E N T I A L SECTION 1 OF 2 KATHMANDU 1219

STADIS////////////////////////////////////

E.O. 11652: GDS
TAGS: AMGT, PFOR
SUBJECT: PARM - ANNUAL POLICY AND RESOURCE ASSESSMENT -
PARTS II AND II

A. PART II

1. AS OUTLINED IN PART I OF THE POLICY AND RESOURCES ANALYSIS,
US INTERESTS IN NEPAL ARE LIMITED, AND ARE REFLECTED IN CURRENT AND
PROJECTED STAFFING OF THE MISSION. THE EMBASSY WILL CONSOLIDATE
ONE POLITICAL AND ECONOMIC POSITION IN 1977 INTO A JOINT POL/
ECON OFFICER WITH EMPHASIS ON POLITICAL OPERATIONS IN ACCORDANCE
WITH THE INSPECTORS RECOMMENDATION. US COMMERCIAL INTERESTS IN THE
COUNTRY ARE FEW AND THERE IS LITTLE PROSPECT OF LARGE, SHORT TERM
GROWTH. THE COMBINED POL/ECON OFFICER SHOULD BE ABLE TO REPORT
BASIC ECONOMIC DATA TO INTERESTED WASHINGTON AGENCIES, WHILE AT
THAT SAME TIME DEALING WITH THE SMALL NUMBERS OF BUSINESS VISITORS.
WE WOULD RETAIN THE SENIOR ECONOMIC/COMMERCIAL LOCAL EMPLOYEE
WHO OVERSEES LOCAL BUSINESS DEVELOPMENT AND DRAFTS ROUTINE
CORRESPONDENCE.

2. THE POL/ECON OFFICER WILL BE CHARGED WITH MONITORING NEPAL'S
POLICIES IN THE THIRD WORLD AND NON-ALIGNED FORA AND CARRYING OUT
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BASIC REPRESENTATION OF US POLITICAL INTERESTS. INFORMAL MEETINGS
ON A FREQUENT BASIS WITH IMPORTANT POLICY MAKERS PROVIDES US
INFLUENCE AND SYMPATHY FOR MANY US POLITICAL INTERESTS. AS
NEPAL BEGINS TO ENFORCE CURRENT DRUG LEGISLATION, WE WOULD EXPECT
THAT COORDINATION WITH LOCAL DRUG AGENCIES WILL DEMAND AN
INCREASING PART OF THE POL/ECON OFFICER'S ATTENTION.

3. APPROXIMATELY 15,000 AMERICANS VISIT NEPAL EACH YEAR AND THE NUMBER WILL CERTAINLY GROW. AS SHOWN IN THE LATEST CONSULAR PACKAGE SUBMISSION, ACTUAL AMERICAN WORKLOAD FOR CONSULAR SERVICES WAS OVER 1,000 HOURS AND WILL PROBABLY INCREASE 5-10 PERCENT PER YEAR. WE WOULD EXPECT SOME INCREASE IN PROTECTION AND WELFARE WORK, PARTICULARLY AS AMERICANS ARE ARRESTED FOR DRUG OFFENSES WHICH IN THE PAST HAVE NOT BEEN RIGOROUSLY POLICED. GIVEN THE RELATIVE LACK OF TOURIST SERVICES, THE REMOTENESS OF THE COUNTRY, AND THE POOR LEVEL OF HEALTH AND LOCAL MEDICAL FACILITIES, AN INORDINATE NUMBER OF AMERICANS REQUIRE CONSULAR ASSISTANCE. THE CONSULAR POSITION IS THE SOLE LANGUAGE DESIGNATED POSITION IN THE EMBASSY, AND AS SUCH, ALSO FULFILLS AN IMPORTANT FUNCTION IN THE EMBASSY'S DEALINGS WITH NON-ENGLISH SPEAKING OFFICIALS.

4. THE EMBASSY'S ADMINISTRATIVE SECTION CONSISTS OF FIVE SUB-SECTIONS: ADMINISTRATION AND SECURITY, BUDGET AND FISCAL, GENERAL SERVICES, COMMUNICATIONS AND A MEDICAL UNIT. THE CURRENT STAFFING CONSISTS OF TWELVE CORE AND ONE DAS AMERICAN EMPLOYEES, 14 CORE AND 20 DAS LOCAL EMPLOYEES RESPONSIBLE FOR PROVIDING A WIDE RANGE OF ADMINISTRATIVE SUPPORT TO ALL US GOVERNMENT AGENCIES EXCEPT USAID IN NEPAL. ALTHOUGH WE WOULD NOT EXPECT WORK REQUIREMENTS TO INCREASE IN THE NEXT TWO YEARS, THERE IS ALSO NO INDICATION OF A DECREASE IN THAT PERIOD. AID, ONE OF THE LARGEST MISSION ELEMENTS, PROVIDES ITS OWN SERVICES FOR BUDGET AND FISCAL AND GENERAL SERVICES. THE EMBASSY PROVIDES FULL ALLOTMENT ACCOUNTING FOR ALL OTHER AGENCIES, INCLUDING USIA, DOD AND PEACE CORPS. THE EMBASSY MEDICAL UNIT ALSO PROVIDES SERVICES TO ALL US AGENCIES (EXCEPT PEACE CORPS,) A VITAL FUNCTION IN A COUNTRY WITH HIGH CONFIDENTIAL

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INCIDENCE OF ENDEMIC DISEASE.

5. AS ENUMERATED IN PART III THE EMBASSY ANTICIPATES A REDUCTION OF ONE AMERICAN POSITION (ECONOMIC OFFICER) AND ONE LOCAL POSITION (POLITICAL ASSISTANT) IN FY 1977.

6. USAID EXPENDITURES CONSTITUTE THE SINGLE LARGEST ELEMENT OF THE US MISSION TO NEPAL. WHILE THERE IS NO QUESTION THAT US ECONOMIC ASSISTANCE SERVES AN IMPORTANT POLITICAL OBJECTIVE IN PROMOTING PEACEFUL ECONOMIC DEVELOPMENT, AS WELL AS OUR HUMANITARIAN INTEREST IN ASSISTING ONE OF THE WORLD'S POOREST COUNTRIES, I BELIEVE THAT CURRENT AID LEVELS OF APPROXIMATELY \$14-15 MILLION PER YEAR ARE APPROPRIATE. I AM ALSO SYMPATHETIC TO THE HOST GOVERNMENT'S DESIRE TO LIMIT THE NUMBER OF FOREIGN TECHNICAL ADVISORS AND TO ASSURE THAT THOSE ASSIGNED ARE FULLY QUALIFIED. I NOTE, HOWEVER, THAT AID IS ACTIVELY CONSIDERING SEVERAL LARGE PROJECTS, SUCH AS RURAL DEVELOPMENT IN THE RAPTI ZONE, WHICH WOULD INCREASE AID LEVELS TO AS MUCH AS \$20-25 MILLION PER YEAR OVER THE SHORT TERM. I WOULD ALSO EXPECT A CONCURRENT AID

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ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
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/067 W

-----301136Z 049627 /22

R 291100Z MAR 77
FM AMEMBASSY KATHMANDU
TO SECSTATE WASHDC 7836

C O N F I D E N T I A L SECTION 2 OF 2 KATHMANDU 1219

STADIS////////////////////////////////////

EFFORT FOR INCREASED STAFF TO IMPLEMENT THESE PROJECTS. AS
STATED IN PART I, SUCH AN INCREASE WOULD RAISE SERIOUS
QUESTIONS ABOUT NEPAL'S ABILITY TO ABSORB LARGE AMOUNTS OF
NEW DEVELOPMENT ASSISTANCE AND APPEARS TO RUN COUNTER TO OUR STATED
POLICY OF LETTING MULTILATERAL DONORS, SUCH AS THE WORLD BANK, ADB
OR IMF, TAKE THE LEAD IN NEPAL. A SUBSTANTIAL INCREASE IN US
BILATERAL ASSISTANCE COULD ALSO CREATE FALSE EXPECTATIONS IN NEPAL
OF THE REAL LEVEL OF US COMMITMENT TO THE COUNTRY WHICH, AS
EXPRESSED IN PART I, IS CLEARLY LIMITED.

7 THE DEPARTMENT OF DEFENSE DECISION (WHICH THE EMBASSY DID NOT
CONTEST) TO ABOLISH THE OFFICE OF THE DEFENSE ATTACHE HAS BEEN
OVERTURNED. THE OFFICE IS CURRENTLY CHARGED WITH ADMINISTERING
A SMALL MILITARY TRAINING PROGRAM (\$50,000). US POLICY HAS
SPECIFICALLY RULED OUT GRANT MILITARY ASSISTANCE TO NEPAL,
AND THERE IS NO LIKELY PROSPECT FOR SIGNIFICANT SALES OF US
MILITARY EQUIPMENT TO NEPAL. OUR INTELLIGENCE INTERESTS IN
THE MILITARY SPHERE ARE SO LIMITED AS TO BE VIRTUALLY NON-
ESISTENT. IN ADDITION, DOD HAS DIRECTED THAT, BEGINNING IN FY 78,
DAOS WILL NO LONGER HAVE RESPONSIBILITY FOR ADMINISTERING MILITARY
TRAINING PROGRAMS. GIVEN THIS SITUATION, I BELIEVE THAT DOD AND THE
DEPARTMENT SHOULD GIVE SERIOUS CONSIDERATION TO ABOLISHING THE
ATTACHE OFFICE IN FY 1979 AT THE LATEST. THE SMALL TRAINING
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PROGRAM COULD BE ADMINISTERED QUITE CAPABLY BY ONE LOCAL ASSISTANT UNDER THE SUPERVISION OF THE POLITICAL/ECONOMIC OFFICER.

B. PART III

1. GIVEN THE SMALL MISSION STAFF, REPROGRAMMING IS NOT POSSIBLE, NOR DO I THINK IT NECESSARY GIVEN OUR ASSESSMENT THAT THERE WILL BE FEW MAJOR INTERNAL OR EXTERNAL CHANGES TO AFFECT US INTERESTS IN NEPAL IN THE NEXT FEW YEARS.

2. AS NOTED IN PART 2 THE EMBASSY PLANS TO CONSOLIDATE ONE ECONOMIC POSITION INTO A JOINT POLITICAL/ECONOMIC POSITION THIS YEAR AND TO ABOLISH A LOCAL POSITION IN THE POLITICAL SECTION. ALTHOUGH WE BELIEVE THAT THESE REDUCTIONS WILL CREATE A "BARE BONES" SITUATION FOR THE EMBASSY, WE WOULD IDENTIFY THE FOLLOWING ADDITIONAL POSITIONS AS LOW PRIORITY IN ACCORDANCE WITH THE INSTRUCTIONS: POSITION NUMBER 048 (SECRETARY)

POSITION NUMBER S-10 (CHIEF ASSISTANT, ACCOUNTS)

3. THE FOLLOWING IS THE CURRENT MISSION STAFFING PATTERN AND A PROJECTED STAFFING PATTERN FOR THE EMBASSY FY-79:

	AMERICAN FY1977	AMEICAN OFFICER	FSL STAFF	FSL PROFESSIONAL	STAFF
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EXECUTIVE	4	2		2	
POLITICAL	2	2	2		
ECONOMIC/ COMMERCIAL	2			1	
CONS					
PR	1	1	1		
ADMIN	5		7(CORE)	4 (CORE)	
			3 (DAS)	14 (DAS)	
COMMUNICATION	4	4		2 (CORE)	
			3 (DAS)		
SECURITY (MSG)	1	6			
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USIS	2	1		24	
DAO	1	1		2	
AID DIRECT HIRE	13	3		72	
CONTRACT	14				
PEACE CORPS	3	123 VOLS		16	

	AMERICAN FY - 1979	AMERICAN OFFICER	FSL STAFF	FSL PROFESSIONAL	STAFF
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EXECUTIVE	3	2		2	
POL/ECON	1	1	1		

ECONOMIC 2 1
CONSULAR 1 1 1
ADMIN 5 7(CORE) 4 (CORE)
3 (DAS) 14 (DAS)
COMMUNICATIONS 4 4 2 (CORE)
3 (DAS)
SECURITY (MSG) 1 6.
MAYTAG

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